

## SECRET

PROJECT STATUS REPORT					1. REPORTING PERIOD	
NOTE: See instructions on reverse side.					June 1955	
2. CRYPTONYM		3. DIVISION OR BRANCH		4. COUNTRY		5. APPROVAL
A. PROJECT	B. SUB-PROJECT		TARGET	BASE	ORIGINAL	BY
GRACROOND		EE/A	Austria	Austria		DD/P
6. NAME OF CASE OFFICER		ROOM NO.	EXTENSION	SIGNATURE OF CASE OFFICER		
[Signature]		2305 K	8391			
7. TYPE OF PROJECT		PP	PM	FI		
8. PERSONNEL		AUTHORIZED	ASSIGNED	9. FUNDS FOR CURRENT FISCAL YEAR		
STAFF AGENT	T/O	None	None	A. CURRENT PROJ. CEIL.	B. CUM. ALLOTMENT	C. EST. CUM. OBLIGATIONS
CONTRACT	AGENTS	None	None	: 25,000	: 25,000	: 24,614.25

10.

a. Action Reported by Field:(1) Caching

It is planned to emplace during the 1955 field season 30 sabotage caches and 13 air reception caches in Austria. This will be the last opportunity for a large scale caching program in Austria because of the imminence of the ratification of the Austrian State Treaty.

During the month of June, two staff employees in the Field were engaged in the preliminary planning phases of the Austrian caching program which will be concluded prior to the withdrawal of U.S. occupation troops. They engaged in reconnaissance for caching sites, preparation of material for caching, and preliminary cache folder preparation. It is contemplated that the emplacement of caches will begin shortly after July 1, with the help of USFA.

The Field, with the advice and concurrence of BUIFIGHTER, prepared an instruction pamphlet to be included in the air reception caches. This pamphlet explains the duties of the ground party at a landing zone or drop zone. The portion of these instructions dealing with the marking of a drop zone are at some variance with those given in the SPLENDOR 6 concept on this subject. Upon Headquarters suggestion, an effort is being made to resolve this divergency of views and arrive at a mutually agreeable solution.

(2) Evacuation and Escape

No new information.

(3 & 4) Guerrilla Warfare and Resistance

The Field has proposed, and Headquarters concurs, that in view of the changed situation in Austria, some basic discussions should be undertaken with GRDAGGER 1 regarding the future program of GRDAGGER. The following are the main policy issues to be discussed with GRDAGGER: (a) strong arm squads are no longer necessary within the GRDAGGER complex, because of the improbability of a Communist putsch or Communist demonstrations of

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DATE 2007

REMARKS (Any important detail not listed in the instructions)

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significance; (b) current FM assets of GRDAGGER should be maintained because of the possibility of Soviet aggression; development of additional FM assets will depend on political developments in Austria; (c) GRDAGGER 1 be approached with the idea of his organization accepting responsibility for sabotage of targets which would retard Soviet Forces in the event of aggression; (d) 5 or 6 GRDAGGER agents be given FM training each year; (e) the GRDAGGER organization be utilized to a greater extent to combat Communist Party activity in Austria; (f) GRDAGGER 1 intensify his propaganda efforts in fields where his personal political views coincide with Agency policy (See Project Status Report for GRDAGGER); and (g) that Agency subsidy to the GRDAGGER organization be reduced approximately one half.

(5) Training

FM training will be given to 12 GRDAGGER agents this summer. The schedule for FM training is as follows: a refresher course will be given on July 26, 27 and 28 to 6 agents, who were trained last year, and 6 new agent trainees will receive instruction from August 1 through August 10. The two headquarters staff employees who are to conduct this training are scheduled to arrive in the Field on July 7 and July 13 respectively.

d. Security Factors

During the reporting period GRDAGGER 1 has stated to the case officer that he is receiving money from other sources in addition to that received from the Agency. It is believed that this other source is either the Socialist Party of Austria or the Austrian Trade Union Federation. It may well be that Agency support of GRDAGGER 1 is known to GRDAGGER's high level associates in the Socialist Party of Austria.

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